Health Bill 2009

Part 1: Quality and Delivery of NHS Services

Chapter 1: The NHS Constitution

What is the NHS Constitution?
The NHS Constitution sets out the principles and values of the NHS. It also sets out in one place the rights and responsibilities of patients and staff, and the NHS pledges to patients and staff. The Handbook to the NHS Constitution, which acts as a guide, provides further detail on the content of the NHS Constitution.

Both documents are the product of an extensive consultation process, including a public consultation, and staff and public events in Primary Care Trusts across the country. The process was overseen by a Constitutional Advisory Forum made up of leading stakeholders.

Context and Background

Why is the Government creating an NHS constitution?
The NHS is our most cherished institution. The Constitution provides an opportunity to reaffirm the core values of our health service and refresh them for the 21st century so that they provide a basis for a modern, forward-looking NHS.

The Constitution sets out clear commitments to patients, public and staff in the form of the rights to which we are entitled, the pledges which the NHS is committed to achieve, and the responsibilities which the public, patients and staff owe to each other to ensure the NHS operates fairly and effectively.

By bringing these together in one place, for the first time, the Constitution gives power to patients, staff and the public by setting out clearly what we have a right to expect from the NHS, and what people can do if those rights are not met.

What does the Bill do?
The NHS Constitution itself does not form part of the Bill, as the rights contained already exist in law or are being implemented through secondary legislation using current powers.

The Bill sets out the framework for how the NHS Constitution will operate, including:

- a new legal duty on providers of NHS services in England and other relevant bodies to have regard to the Constitution; and
- a duty on the Secretary of State to consult on, review and re-publish the Constitution at least every ten years, and to report on its impact.

The NHS Constitution and accompanying Handbook were published on 21 January 2009 and are available at http://www.dh.gov.uk/nhsconstitution

Briefing Sheet – Health Bill 2009
Chapter 2: Quality Accounts

Context and Background

Providing better information on the quality of NHS healthcare services is a key part of the quality framework set out in *High Quality Care for All*.

This report gave a commitment to place a legal requirement on providers to publish information on the quality of health services in a “Quality Account”, which would be used to inform local accountability for services, and to assist clinicians, commissioners and patients in driving improvements.

Why are Quality Accounts important?

Quality accounts will inform patients, carers, managers and clinicians of the quality of their local hospital and community services.

It will also make local services more accountable to patients and the public, who will have clear information on the quality of care provided.

Quality Accounts will ensure that providers of NHS healthcare focus on quality improvement as a core function, helping clinicians to benchmark their performance and providing information that Primary Care Trusts and Strategic Health Authorities can use to help to monitor provider performance.

What will Quality Accounts look like?

The data to be contained in the Quality Accounts will be set out in regulations, following consultation with stakeholders. However, for indicative purposes, the data within quality accounts could be drawn from:

- Information required by Department under the terms of the Operating Framework, and other national reporting frameworks;
- Information relating to safety and quality which as supplied to the Care Quality Commission to assure providers’ compliance against their registration requirements;
- Information relating to quality which is supplied to the Care Quality Commission in respect of special reviews, investigations or studies which have concluded;
- Data on quality which may be required under the terms of a contract with a PCT;
- Information supplied for clinical audits;
- Information on local quality priorities, to be determined by the provider having regard to any guidance issued by the Secretary of State.

What does the Bill do?

The Bill will place a duty on providers of NHS healthcare to produce Quality Accounts.

The Bill will give the Secretary of State power to set out in regulations the content (including locally agreed elements), format and timing of Quality Accounts.

These regulations will be developed with stakeholders and subject to formal consultation.
Chapter 3: Direct Payments for Health Care

**Context and Background**

The consultation for the Next Stage Review provided a clear and consistent message that people want to have more control over their health.

*High Quality Care for All* included a commitment to launch a pilot programme in 2009 to test personal health budgets as a way of giving people greater control over the services they receive, and the providers that deliver them. Even if only a small number of people would find that their needs lend themselves to a personal health budget, the impact on the way that their care is delivered may be much wider.

**Learning from the experience in social care**

Individual Budgets were piloted in social care in England, across 13 councils, in 2006-2008. A range of deployment options were tested by sites, including direct and indirect payments, virtual budgets, care managed accounts, voucher schemes, pre-payment cards and individual service funds where budgets were held by a provider. Just under 1,000 people participated in the pilots.

The evaluation of the pilots showed that the implementation of individual budgets led to an increase in the proportion of people, in most social groups, who reported feeling in control of their care. This was particularly true of people with mental illnesses. Holding an individual budget was also associated with improved levels of social care outcomes for most people.

The personal health budget pilot intends to build on this experience, both on the successful elements, and the areas where there was room for improvement.

**What are personal health budgets?**

A personal health budget helps people to get the services they need to achieve their health outcomes, by letting them take as much control over how money is spent on their care as is appropriate for them.

It does not necessarily mean giving the individual the money itself – a direct payment for health care is just one form of personal health budget. We think there are three main types of personal health budget:

- **Notional budget** - People have information about costs, which means they are aware of the financial implications of their choices. The NHS underwrites overall costs and retains ‘risk pooling’, all contracting and service coordination functions.

- **Real personal budget held by a third party** - People are allocated a ‘real budget’, but this is held by a third party (for example a GP, a care manager or advocate) on that person’s behalf. The third party helps them choose what services are then purchased with the personal health budget.

- **Direct payments for health care** - People are given a direct payment to purchase services themselves. People would also be expected to manage their services, including personal assistants, care managers and financial intermediaries. This would be the health equivalent of direct payments currently used in social care.
Why is legislation needed?

Notional budgets and real personal budgets held by a third party can be set-up under existing legislation. However, the Secretary of State does not currently have the legal power to make direct payments for health care directly to patients.

What does the Bill do?

The Bill will provide powers to allow the Secretary of State (in practice devolved to Primary Care Trusts) to make direct payments to people, enabling them to arrange and pay for their own health care.

Initially the payments would be made by specific Primary Care Trusts as part of a pilot programme.

The Bill allows for the detail of the pilot schemes, e.g. the types of services for which direct payments can be used, to be set out in regulations.

If the pilots are successful, direct payments for health care may be rolled out nationally through secondary legislation, subject to the approval of Parliament. If not, then the powers to make direct payments for health care could be withdrawn without the need for further primary legislation.

Who will receive direct payments for health care?

A direct payment for health care would not be right for everyone. However, the Government are looking for pilots to investigate personal health budgets with a range of groups, to enable innovation, and to establish the necessary evidence base.

So far, people have told us that some people receiving NHS continuing healthcare, people with long-term conditions, or those who use mental health services could benefit most.

What services can be bought?

Again, for the purposes of piloting, the Government want pilot sites to investigate whether personal health budgets would be useful in a wide range of services. The Government anticipates that they will be most effective where there is scope for people to tailor services to their specific needs. However, the Government intends to explicitly exclude emergency care and basic GP services from the pilots.

What progress has been made so far?

Since the announcement, the Government have been working with a range of people to design the pilot programme. Personal Health Budgets: First Steps, sets out some of our learning so far, and invites expressions of interest from potential pilot sites.

How long will the pilots run for?

Overall, the pilot programme is expected to run for 3 years from summer/autumn 2009. Subject to Parliamentary approval, piloting of direct payments as part of that programme is likely to start in 2010.
Chapter 4: Innovation Prizes

**Context and Background**

*High Quality Care for All* stated the Department of Health’s intention to create prizes for innovations that directly benefit patients and the public.

These prizes will help foster an enterprise and innovation culture within the NHS. The prizes will be designed to engage a wide range of NHS staff. An independent expert panel will be recruited to advise on a series of challenges which could tackle some of the major health issues, such as radical breakthroughs in the prevention and treatment of lifestyle diseases.

The precise scope of the prizes is still to be agreed, but the consensus from stakeholders is that the prizes should be designed to engage a wide range of NHS staff. They will also encourage investment in the area of focus of the challenge – in common with other challenge initiatives, this overall investment is expected significantly to outweigh the prize money on offer.

An Expert Panel will be established to advise the Secretary of State on the challenges to be set, the quality of the entrants and rewards to be made.

**Why is legislation necessary to award prizes?**

A common view from stakeholders who contributed to the NHS Next Stage Review was that there is currently a lack of support and encouragement, and insufficient recognition and celebration of innovation and innovators in the provision of NHS services.

Whilst the Secretary of State for Health can currently award grants to assist research that power is limited and does not extend to awarding money retrospectively (for example to recognise and reward work that has already been completed).

**What does the Bill do?**

The Bill will enable the Secretary of State to award prizes to promote innovation in the provisions of health services.
Part 2: Powers in Relation to Health Bodies

Chapter 1: Trust Special Administrators

Context and Background

The majority of hospitals and trusts are performing well, providing high-quality services to patients and managing resources effectively. However, in the extremely rare cases where a trust fails to turn itself around, it is important that there are clear processes set out to ensure that services for patients continue to be provided.

The provisions of the Bill are intended to form part of a wider process for dealing with the poor performance and failure of NHS organisations.

The regime for unsustainable NHS providers will, in practice, pick up at the point where an organisation is unable to turn its performance around. The regime is likely to be the last step for providers who have been subject to previous recovery actions by Monitor or the new NHS performance framework.

Principles for the regime

The regime for unsustainable NHS providers is based on five essential principles:

♦ protection of patient interests must come first;

♦ state-owned providers are part of a wider NHS system;

♦ the Secretary of State for Health is ultimately accountable to Parliament for the NHS;

♦ the regime for unsustainable NHS providers should take into account the need to engage staff in the process; and

♦ the regime for unsustainable NHS providers must be credible and workable.

Why does this issue need to be addressed?

The Government believes there is no pre-existing special administration regime model that could be imported, without modification, to support the particular needs and values of the NHS. Our bespoke approach to developing an NHS-specific regime was supported in our recent consultation on the issue.

The key processes of the regime are prescribed in primary legislation. This will mean that they are applied systematically in these exceptional circumstances and that decisions will be made in a timely manner.

The full rationale is set out in our consultation and consultation response document.
What will the Bill do?

The Bill will create greater certainty of resolution for those very few NHS organisations that are not sustainable and cannot be turned around. It will set up one clear, rules-based system.

The new regime is intended to be the final stage in the performance process, where earlier attempts to improve performance using existing powers have failed and the continuation of the body in its present situation is not considered to be in the interests of the health service. The Department is clear that it will only be used in exceptional circumstances.

The Bill makes provision for the appointment of a Trust Special Administrator (TSA) to NHS trusts (including de-authorised NHS foundation trusts) and primary care trusts.

The TSA will run the NHS trust (or exercise certain provider functions in the case of a primary care trust) and produce, in consultation with local stakeholders, recommendations on its future. There are no new powers for the Secretary of State to take action – the TSA will recommend which existing powers the Secretary of State should exercise. In relation to NHS trusts, the options could include dissolution and transfer of staff and services to other NHS bodies or closure of certain services where there is oversupply locally. In the case of primary care trusts, the primary care trust could be required to stop providing services itself and to commission them from elsewhere.

The key processes in the regime are outlined in the following diagram.
The regime for unsustainable NHS providers – An overview

Monitor considers that an **NHS Foundation Trust** to which regime applies may be failing to comply with a notice under S52 and further exercise of S52 Powers is unlikely to resolve (in practice will be in rare circumstances).

Monitor consults SoS and then the trust, host SHA & appropriate commissioners of services. If satisfied as to matters above, Monitor gives written notice & accompanying report to SoS.

SofS makes order revoking trust's FT status and it becomes an NHS trust

Within 5 working days

TSA commences & exercises functions of Board (or specified “provider” functions in the case of a PCT).

TSA produces and publishes a draft report (which SoS must lay before Parliament) & publishes a consultation plan.

Within 45 working days

In producing report, TSA consults the host SHA & relevant commissioners (as directed by SoS).

Within 5 working days

30 working day consultation begins

Consultation ends

Within 15 working days


Within 20 working days

SofS must decide what action to take and as soon as is reasonably practicable publish a notice of the decision & lay a copy of the notice before Parliament.

**Glossary**

PCT – Primary Care Trust
SHA – Strategic Health Authority
SoS – Secretary of State for Health
FT – Foundation Trust
TSA – Trust Special Administrator
OSC – Overview & Scrutiny Committee

**The regime for unsustainable NHS providers**

SoS consults the trust, host SHA and appropriate commissioners of services.

If SoS considers it appropriate in the interests of the health service...

An order is made appointing TSA (in the case of PCT providers, directions are made requiring the PCT to appoint TSA). Order or directions and report by SoS/Monitor explaining why the regime has been triggered to be laid in Parliament. TSA's name is published.

Within 5 working days

TSA commences & exercises functions of Board (or specified “provider” functions in the case of a PCT).

Within 45 working days

In producing report, TSA consults the host SHA & relevant commissioners (as directed by SoS).

Within 5 working days

30 working day consultation begins

Consultation ends

Within 15 working days


Within 20 working days

SofS must decide what action to take and as soon as is reasonably practicable publish a notice of the decision & lay a copy of the notice before Parliament.

**Glossary**

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Chapter 2: Public Health Appointments - Suspension

**Context and Background**

For several types of organisation in the NHS, the only options currently available, should there be concern about the performance of a non-executive director, are to allow the appointee to continue in their role, to seek a resignation, or to terminate the appointment. This limits the action that can be taken whilst further investigation takes place.

The Appointments Commission’s review of the NHS public appointments process in December 2007 recommended swift action, in extremis, to suspend chairs and members of NHS Boards.

The Secretary of State for Health already has powers to suspend chairs and non-executive directors of Primary Care Trusts and NHS Trusts through secondary legislation made in June 2008. Primary legislation is necessary to implement the same reforms for other NHS bodies, relevant Arms Length Bodies and other bodies concerned with health.

**What would be the benefit of extending the powers of suspension?**

Extending powers of suspension to chairs and non-executive directors of Strategic Health Authorities, relevant Arms Length Bodies and some other health bodies would provide support to NHS appointees, by allowing time for a considered and balanced investigation to take place prior to any decision being made as to whether to terminate an individual’s appointment.

It would also strengthen the way the healthcare system holds people to account when they fail to meet the requirements of public office.

**What does the Bill do?**

The Bill will create powers that enable the Secretary of State to suspend chairs, vice-chairs and other members of Strategic Health Authorities, Special Health Authorities relevant Arms Length Bodies and other bodies concerned with health whilst further investigations take place.

Where the powers are given to the Secretary of State the powers could be delegated to the Appointments Commission, as with other powers relating to public appointees.
**Part 3: Miscellaneous**

**Tobacco**

**Context and Background**

Smoking remains the main cause of preventable morbidity and premature death, accounting for 87,000 deaths a year in England alone, the equivalent to the entire population of a major city such as Durham.

Each year in England, deaths attributable to smoking total more than suicide, road traffic and other accidents, diabetes, drug and alcohol-related deaths put together.  

**Number of deaths in England each year attributable to smoking as compared to other causes of death**

![Graph showing number of deaths attributable to smoking compared to other causes](image)

The aim of Government policy is to reduce the incidence of illness and death caused by tobacco, and in particular to reduce the number of children and young people who take up smoking and the contribution of tobacco to health inequality. The Government also aims to support and assist those who wish to give up smoking.

The World Health Organisation’s Framework Convention on Tobacco Control, to which the UK is a party, recommends removing tobacco displays to prevent marketing of smoking, particularly to young people, and encourages measures to ensure that tobacco machines are not accessible to minors.

Why do the policies in the Bill focus on smoking by young people?

The Government has a particularly important responsibility to protect children and young people from taking up smoking – making sure young people from all backgrounds have a fair chance to enjoy a healthy life throughout adulthood.

Youth uptake of smoking is a serious public health problem and in England in 2007, some 200,000 children aged between 11 and 15 were regular smokers, on average smoking 44 cigarettes a week.

Youth smoking is also a major contributor to health inequality – children from disadvantaged backgrounds and those who truant or are permanently excluded from school, are much more likely to take up smoking.

The proposals also aim to assist those wishing to quit smoking.

**What does the Bill do?**

The provisions in the Bill will:

- remove the display of tobacco products; and
- create powers that enable the Secretary of State to control the sale of tobacco products from vending machines by prohibiting such machines or restricting access so that only persons aged 18 or over can access them.

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1 Produced by the Public Health Information Team, Birmingham’s Public Health Network based at Heart of Birmingham Teaching Primary Care Trust
Pharmaceutical services

Context and Background

In most areas of primary care (e.g., GP and dental services), Primary Care Trusts now have the ability to commission services locally, drive up quality and shape services according to local needs. The measures in the Bill will help to align pharmaceutical services more closely with this approach.

Market entry - under current legislation, no new pharmacy contractors can be added to a Primary Care Trust’s pharmaceutical list unless it is ‘necessary or expedient’ to secure the adequate provision of pharmaceutical services locally. This ‘control of entry’ test has existed for many years but does not now reflect the role of Primary Care Trusts in commissioning services across their populations as part of a broader strategy to improve care.

Quality and performance - Primary Care Trusts currently have powers to take action against a pharmaceutical service, but this is limited to outdated and complex “disciplinary” procedures or to taking action in light of a provider’s continuing ‘fitness to practise’, i.e. on grounds of efficiency, fraud and suitability.

Local Pharmaceutical Services (LPS) – Primary Care Trusts are not currently able to provide pharmaceutical services themselves. In an emergency such as a flu pandemic, this could result in a pressing need to maintain pharmaceutical services that the Primary Care Trust would otherwise be unable to meet if there was no other suitable provider.

What benefit do you expect from these reforms?

The provisions in the Bill will ensure that pharmacies continue to consistently provide high quality services responsive to local needs. Primary Care Trusts will also have more discretion in commissioning pharmaceutical services for their local areas and have greater powers to address poorly performing pharmacies.

What does the Bill do?

The provisions on pharmacy in the Bill will:

- replace the current market entry measures for pharmaceutical services with new powers for Primary Care Trusts to commission services that drive up quality and better reflect patients’ needs;
- introduce a power for Primary Care Trusts to issue remedial notices or to withhold payments as part of a new quality and performance regime, which will give Primary Care Trusts greater powers to address poor performance and where necessary decommission poor pharmaceutical services; and
- amend legislation so that Primary Care Trusts can provide Local Pharmaceutical Services themselves in an emergency or where there is no suitable alternative.
Adult social care complaints

Context and Background

People whose care is arranged by Local Authorities have access to the statutory local authority social services complaints procedure. This involves recourse to the Local Government Ombudsman if the local authority does not satisfy the complaint.

However, around 35% of social care users pay for their own care and enter into contracts directly with social care providers. In addition, a number of social care users receive social care direct payments from their local authority and arrange their social care themselves. These users may complain to the provider of their care but do not currently have recourse to the statutory procedure for Local Authority complaints.

Extending the role of the Local Government Ombudsman

The remit of the Local Government Ombudsman in relation to social care complaints was raised during the passage of the Health and Social Care Act 2008, where the Government gave a commitment to address the issue as soon as Parliamentary time allowed.

The Local Government Ombudsman already has a role in investigating complaints by people whose care is arranged by local authorities. A new responsibility for complaints by people who arrange their own social care sits logically with these existing duties, and the Ombudsman’s extensive knowledge will allow them to take on this role effectively.

What does the Bill do?

The Bill will amend the Local Government Act 1974 to allow the Local Government Ombudsman to consider complaints by persons who have arrange or pay for their own adult social care.

This covers people who make private arrangements independently of the local authority (“self-funders”) and also people who receive social care direct payments from their local authority, for their personal use in securing a service that they need.

This will put adult social care users who arrange or fund their own social care on a similar footing to users of adult social care arranged by Local Authorities.

The individual service user, and anyone acting on their behalf, will be able to raise a complaint with the Local Government Ombudsman.

This will be subject to the limitation that the service must have been purchased from the type of provider to whom the Ombudsman’s remit applies.

The normal expectation will continue to be that people who have arranged their own social care should take up complaints with their service provider first. However, the provisions in the Bill will mean that people who have arranged their own care will also be able to take their complaint to an independent body should they be unhappy with their service provider’s response.
Calculating GP and dentist pay

**Context and Background**

Her Majesty’s Revenue and Customs (HMRC) holds information relating to the tax affairs of individuals – including those of general medical practitioners (GPs) and dentists who provide medical and dental care on behalf of the National Health Service.

It has been the practice of HMRC, over a number of years, to assist in statistical enquiries carried out by or on behalf of the Department of Health relating to the earnings and expenses of GPs and dentists. This summarised anonymised pay data is published, under National Statistics rules, in two reports: the GPs Earnings & Expenses Enquiry and the Dental Earnings & Expenses Enquiry.

This information forms a fundamental part of the GP and Dental pay systems. Evidence from the reports is submitted to the Doctors’ and Dentists’ Review Body (DDRB) who make recommendations to Ministers throughout the UK on the remuneration of doctors and dentists in the NHS.

This annual exercise is currently conducted on behalf of the Secretary of State and the devolved administrations by the NHS Information Centre for Health and Social Care.

The information is also used for other purposes, including the costing of new initiatives, allowing the UK health departments to understand the effect of new policy and/or investment on GP and dentist profits and expenses.

**Why does this need to be addressed?**

For more than twenty years, HMRC has shared anonymised data on GP and dentist pay with the Department of Health. Until 2008 HMRC worked on the basis that such a transfer was permitted because it only includes anonymised data.

In 2008, during a review of all data transfers from HMRC, the legal basis of such transfers of anonymised data was re-examined. The relevant legislation is now the 2005 Commissioners for Revenue and Customs Act, which provides that HMRC may not disclose any information it holds for an HMRC function unless permitted by legislation. HMRC found the transfer of anonymised GP and dentist pay data to the Department of Health was in need of such legislation.

**What will the Bill do?**

The Health Bill will provide a legal gateway to allow HMRC to continue to carry out annual enquiries on GP and dentist pay on behalf of the NHS Information Centre for Health and Social Care.

The gateway will be established to share only anonymised data, produced in a summary form. The information disclosed will be an anonymised summary of the earnings and expenses of GPs and dental practitioners. It will not extend to other details disclosed to HMRC as part of the tax assessment process, such as matters unconnected with their professional activities.
Further Information

For further information on the Health Bill 2009:

Email: health.bill@dh.gsi.gov.uk

Visit the website:
http://www.dh.gov.uk/en/Publicationsandstatistics/Legislation/Actsandbills/DH_093280

Written comments on the Health Bill can be sent to:

Health Bill Team
Department of Health
Room G06A, Richmond House,
79 Whitehall, London,
SW1A 2NS
List of documents relevant to the Health Bill 2009

Relevant Documents

**NHS Next Stage Review** - (Relevant to the NHS constitution, Quality Accounts, direct payments for health care and innovation prizes)

http://www.ournhs.nhs.uk/fromtypepad/283411_OurNHS_v3acc.pdf


**NHS Constitution**


http://www.dh.gov.uk/nhsconstitution

**Regime for unsustainable NHS providers**


*Consultation on a regime for unsustainable NHS providers.* Department of Health (2008).
http://www.dh.gov.uk/en/Consultations/Liveconsultations/DH_087835


Suspension powers

http://www.healthcarecommission.org.uk/aboutus/whatwedo/investigatingmajorproblems/completedinvestigations/maidstoneandtunbridgewellsnhstrust.cfm

http://www.appointments.org.uk/review/index.asp

Removing or suspending chairs & non-executives from PCTs and NHS Trusts: Consultation on introducing powers of suspension. Department of Health (2008).
http://www.dh.gov.uk/en/Consultations/Liveconsultations/DH_082373

Removing or suspending chairs & non-executives of Health Bodies - Consultation on introducing new powers of suspension. Department of Health (2008).

Removing or suspending chairs & non-executives of Health Bodies - Feedback on the consultation to introduce powers of suspension. Department of Health (2009)

Tobacco


Written Ministerial Statement, Secretary of State for Health (Alan Johnson). Hansard, 9 December 2009, Column 43WS.
http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm081209/wmste xt/81209m0001.htm

Pharmacy

http://www.appg.org.uk/home.htm


